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Innovation:

From Getting It to Getting It Done

OFT/IDA Conference

Introducing Innovation and Risk-taking: Implications of Transforming the Culture of DoD

October 22 2003

Strategy

Innovation

Design

Knowledge

Creativity

Transformation

Capabilities

BHAG’s

Ideas

Leadership

The unknown unknowns

Vision

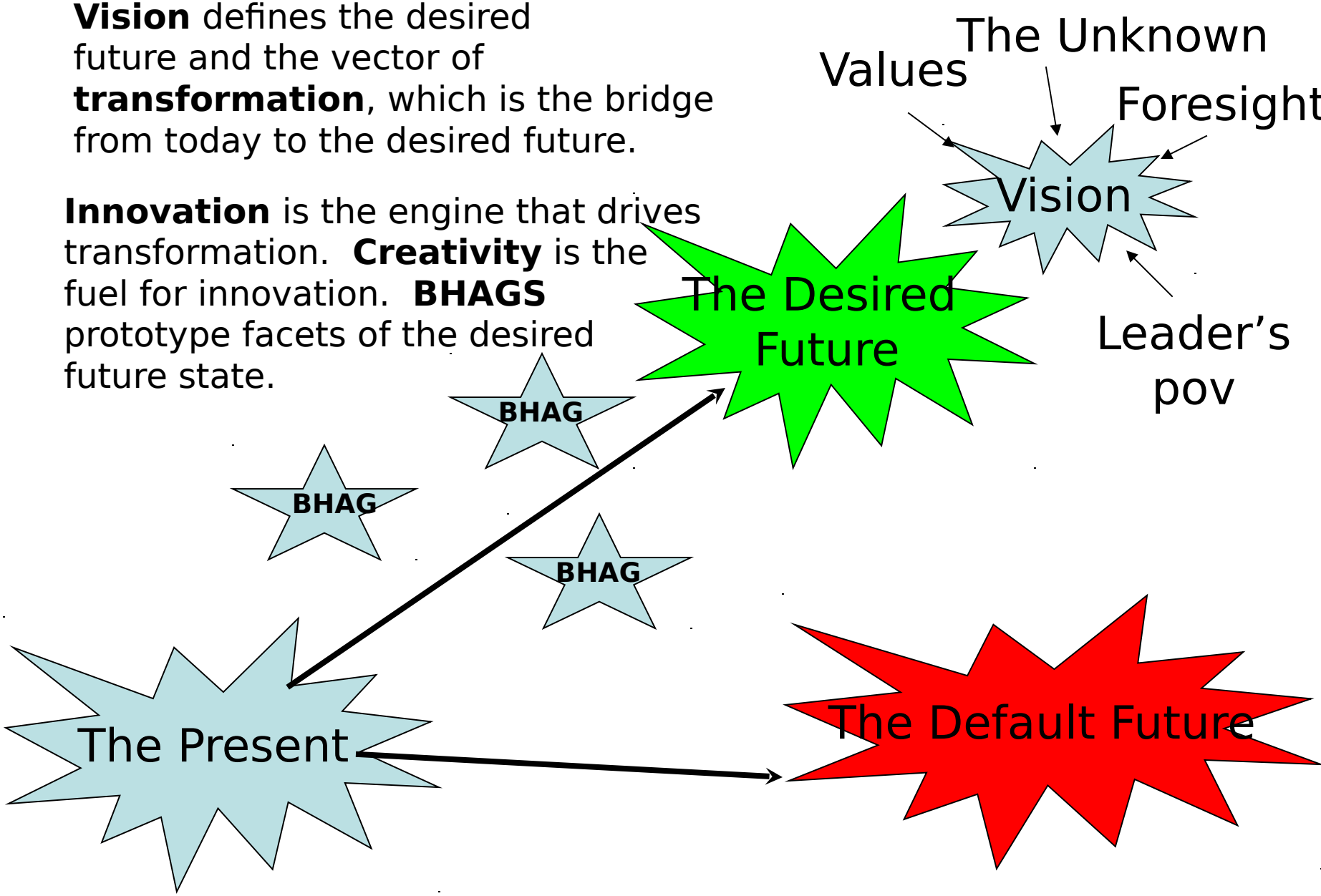
Change management

Desired future state

Corporate ventures

Vision defines the desired future and the vector of **transformation**, which is the bridge from today to the desired future.

Innovation is the engine that drives transformation. **Creativity** is the fuel for innovation. **BHAGS** prototype facets of the desired future state.



Innovation War

Sobering Observations

1) **Competitive advantage erodes faster than at any time in history.**

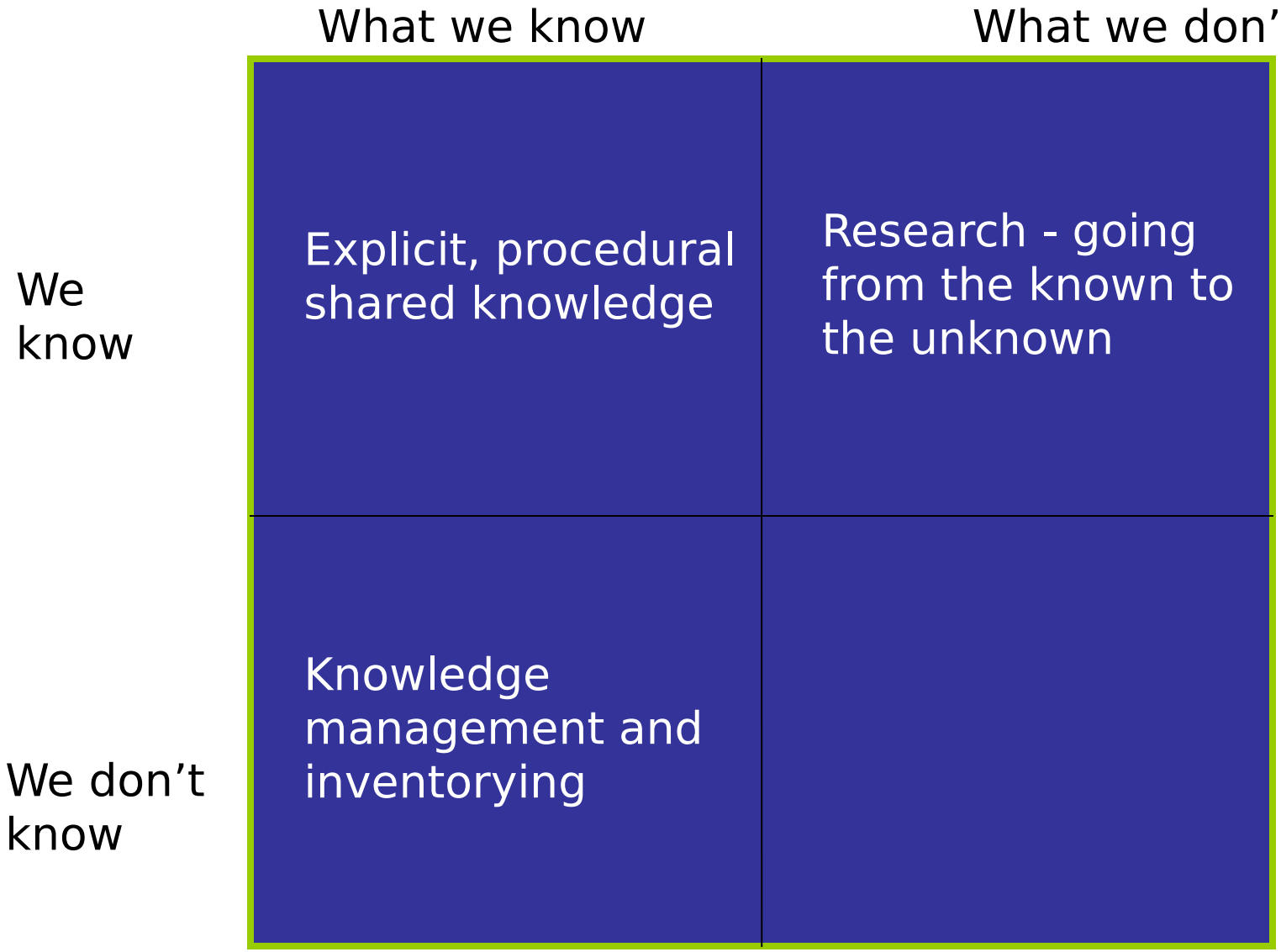
2) **Agile competitors (entrepreneurs, terrorists) with nothing to lose and a burning desire to succeed are capable of innovation in extremely disruptive ways. Incumbency will always generate a response.**

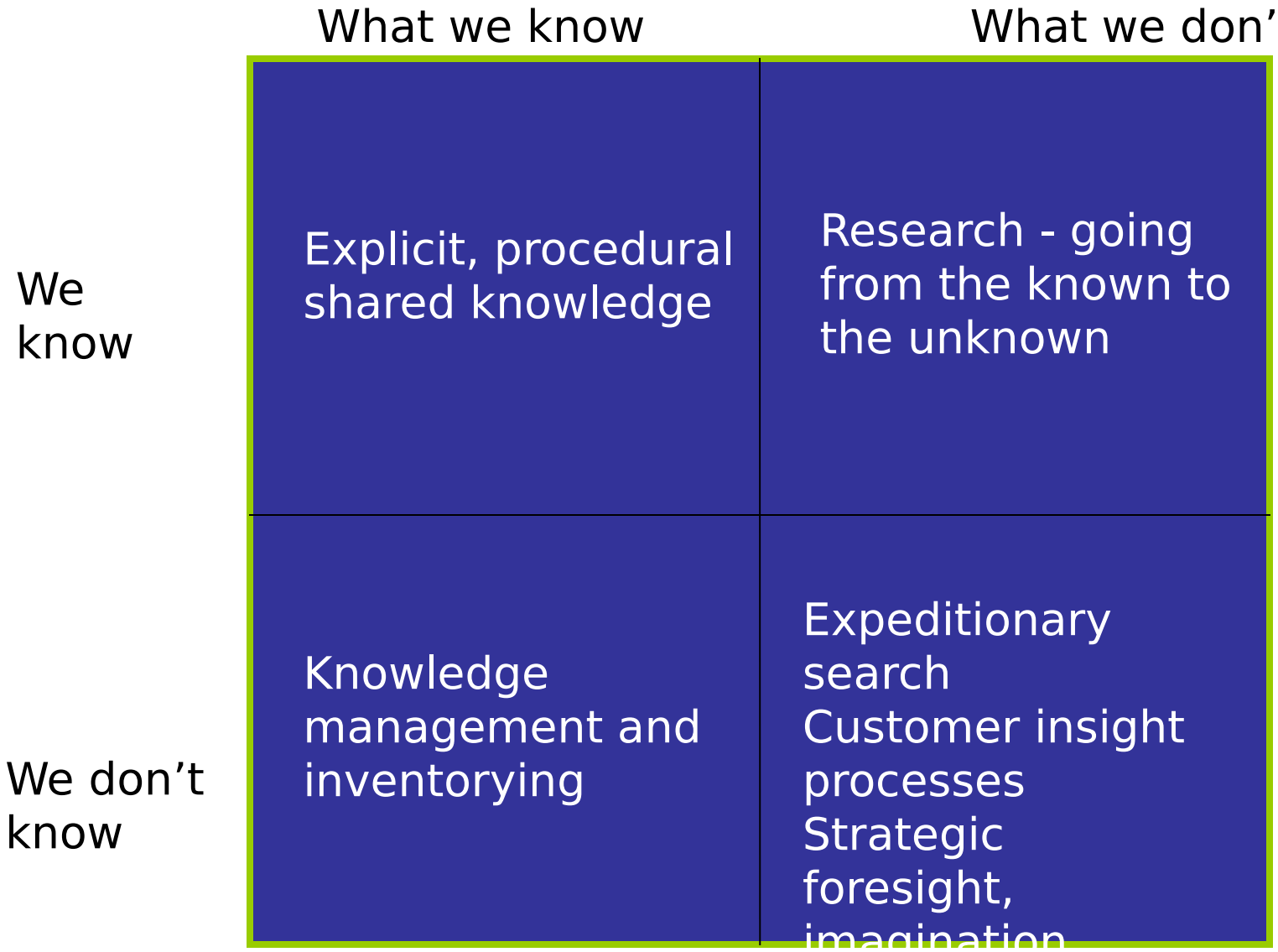
3) **Incumbents are at a disadvantage re: innovation. The military's has mastered high-intensity, mass on mass, nation-state sponsored warfare. The pursuit of such excellence can impede the innovation required to win in low-intensity, "swarm."**

Decoding Elements of Innovation Cultures and Mindsets

(Or how our competencies can impede strategically relevant innovation)

Mainstream	**Insurgency**
Excellence	**Screwing up**
Chief Innovation Officer	**Chief Destruction Officer**
Knowledge management	**Ignorance management**
Effectiveness	**Discontinuity**
Constructive progress	**Creative destruction**
Improvement	**Disruption**
Efficiency	**Conflict, messiness and inefficiency**
Getting it right	**Continuous revolution**
Command and control	**Collaboration and control (as in “out of”**
Make it happen	**Sit back and think**
Speed of decision-making	**Slowness (and completeness) of reflection**


What we know
What we don’t know
We know
We don’t know
Explicit, procedural shared knowledge
Research - going from the known to the unknown
Knowledge management and inventorying


What we know
What we don’t know
We know
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Explicit, procedural shared knowledge
Research - going from the known to the unknown
Knowledge management and inventorying
Expeditionary search
Customer insight processes
Strategic foresight, imagination

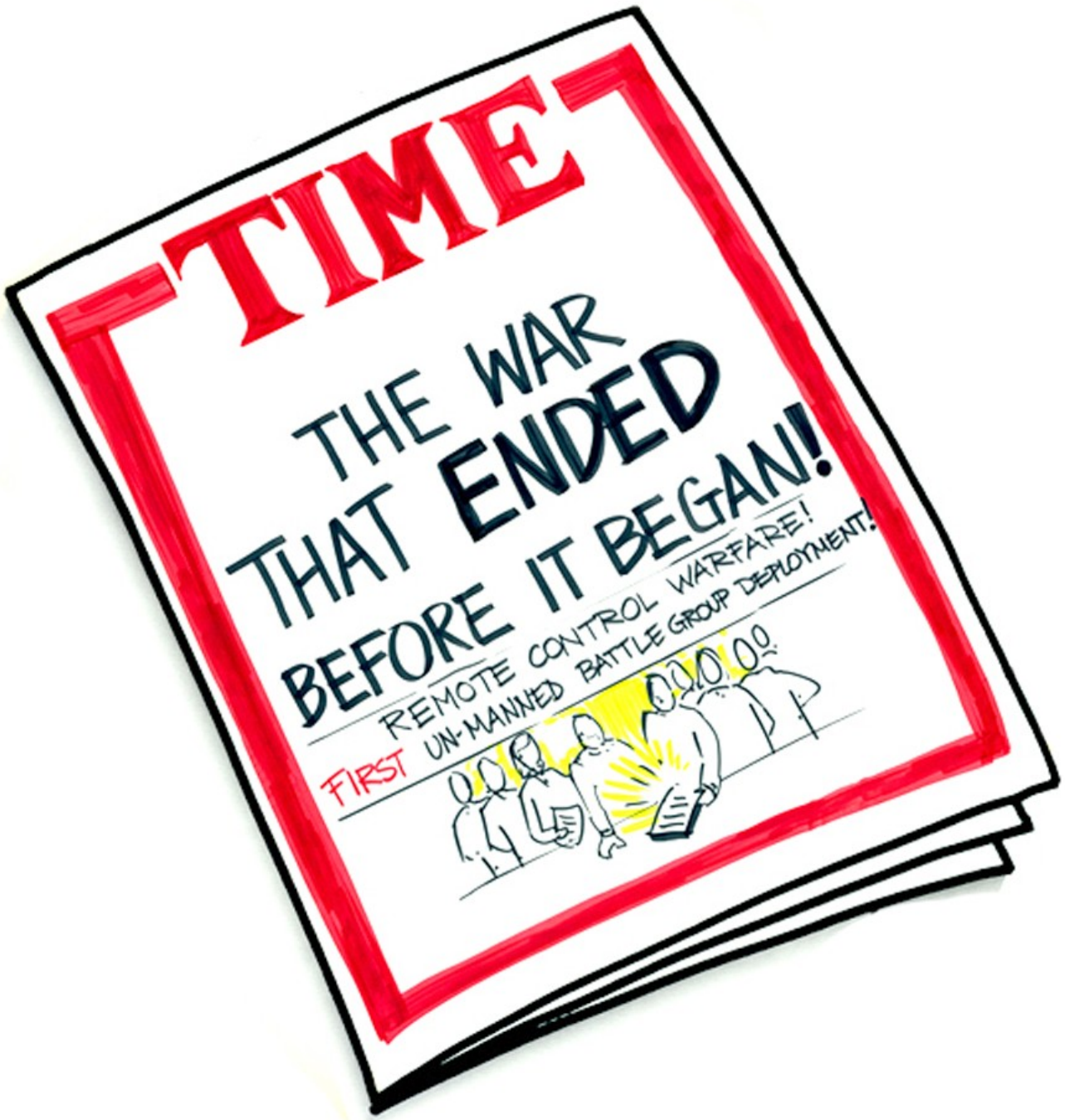
Each of these quadrants implies differences in:

Values, behavioral rubrics, beliefs (culture)
Innovation practices
HR practices
Responsibilities of leadership
Fit with cognitive style

Getting the balance right is an extremely difficult and ongoing challenge

From getting it to getting it done

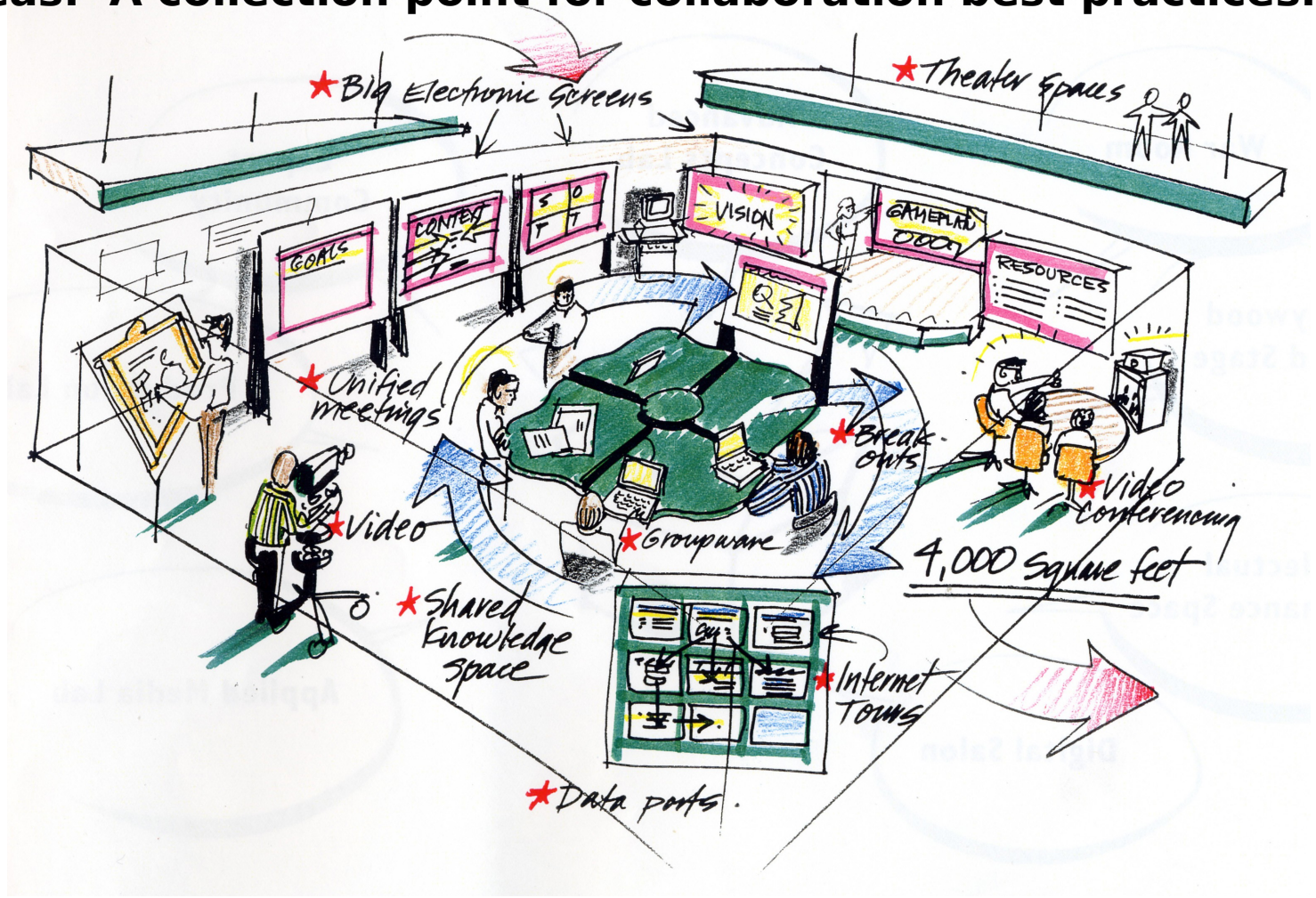
1. STORY
(Marketing culture)


TIME
THE WAR THAT ENDED BEFORE IT BEGAN!
REMOTE CONTROL WARFARE!
FIRST UN-MANNED BATTLE GROUP DEPLOYMENT!

2. PLACE

(finding a platform (a “home”) for innovation)

What is an innovation platform? Short answer: A "brain box" that links people, knowledge, media, furniture, and collaborative processes in new ways. A studio for staging ideas. A collection point for collaboration best practices.

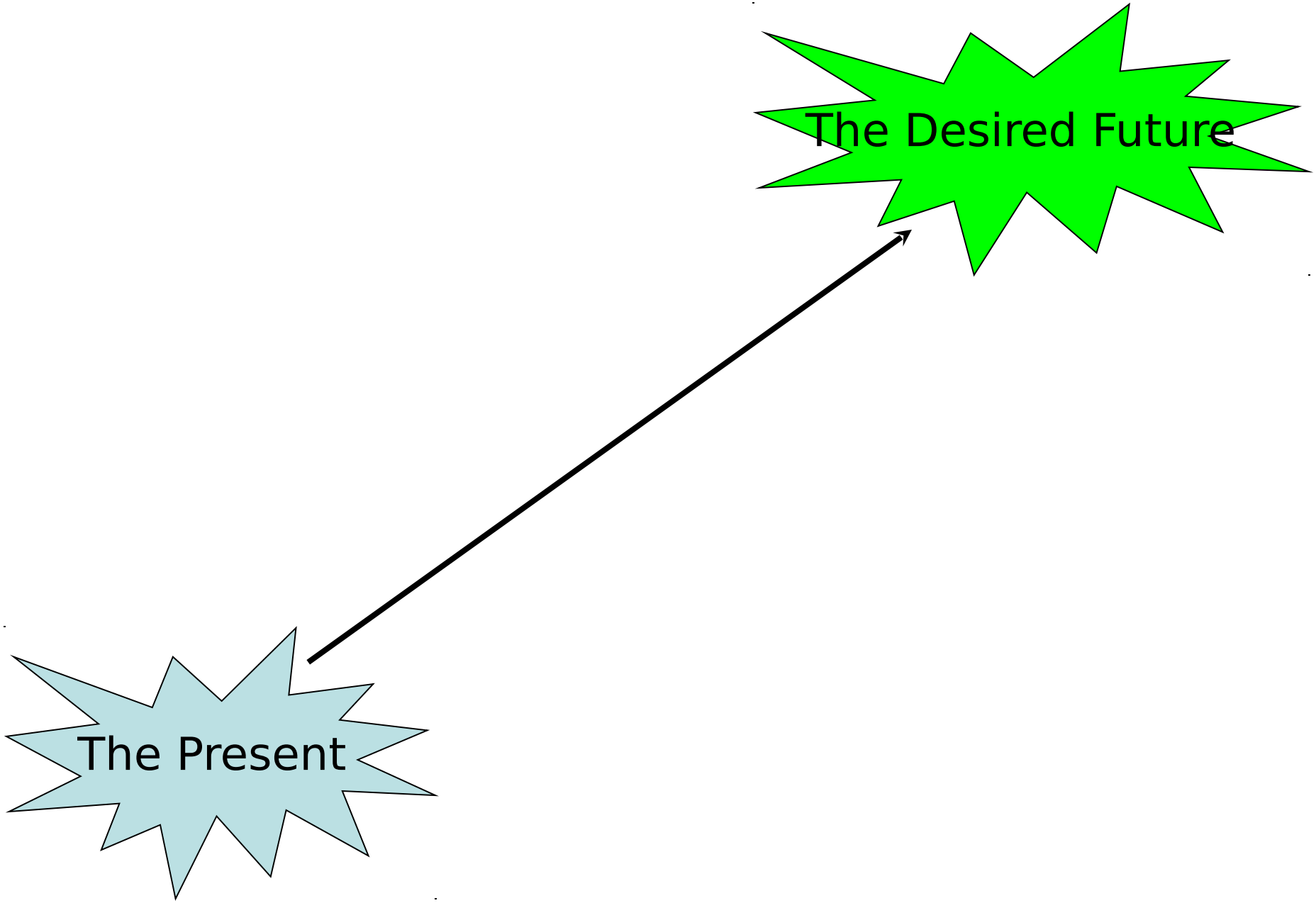


3. DESIGN
(the discipline of innovation)

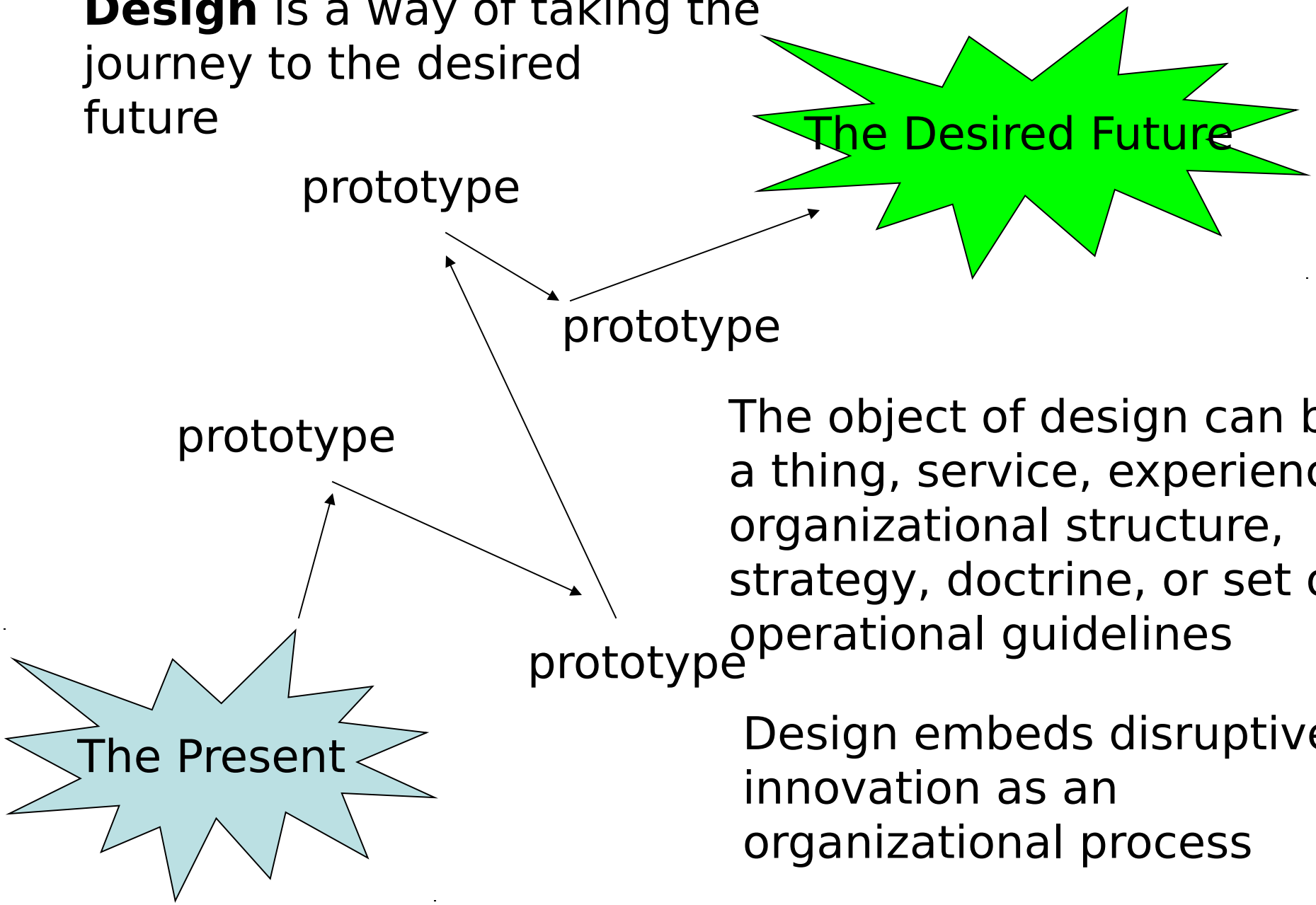
The future is a design problem

How do we find the future we prefer?

Design is the ability to move from the existing to the preferred


The Desired Future
The Present

Design is a way of taking the journey to the desired future



The object of design can b
a thing, service, experienc
organizational structure,
strategy, doctrine, or set o
operational guidelines

Design embeds disruptive
innovation as an
organizational process

Why is design different from engineering

Design	Engineering
Prototypes	Specs
Embrace constructive anomalies failure	Debug - eliminate
White space campaign plan	Road map,
Open-ended	Closure
Customers, the world	Technical disciplines
Anthropology methods	Quantitative
Intuition, values (and analysis)	Analysis

Our customers’ tacit needs

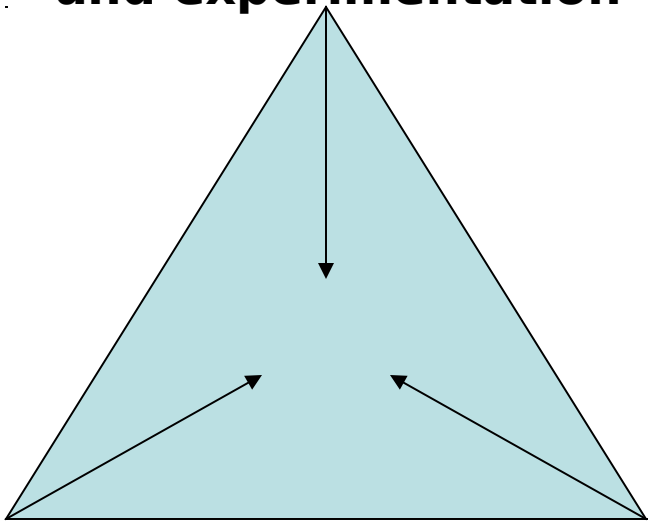
Those who are not our customers

Our adversaries

(also “customers”)

New disciplines such as digital design, information design, community design, and knowledge architecture will inform how we pursue innovation, learn and collaborate

Modeling and simulation: prototyping, concept development and experimentation



Learning systems publishing networks, digital memory

Virtual innovation platform/dashboard and collaboration environment

4. LEADERSHIP

New Demands on Leadership: Innovation

Chief innovation officer
- Originator of useful exceptions
- Creator of constructive disquilibria
- Advocate of dynamic balance
- Patron of new exceptions
- “The new leadership challenge is to sense and actualize emerging opportunities”
  (Jaworski and Scharmer)

Chief talent officer
- Find, empower, provision
- Enable meaningful experimentation
- Maintain boundaries; provide air cover
- Get out of the way

Chief communications officer
- Keeper of the vision
- Persuasive communicator
- Architect of communications campaigns

So what?

Innovation Agendas

Innovation must be designed. There is no one size that fits all. This is long-term, essential work that requires substantial investment.

Complex organizations need an innovation audit, strategy, vision, credo, environment, culture, common tools and processes, and relevant communication platforms. Note: having an enabling culture is a necessary but far from sufficient condition for innovation.

Highly differentiated organizations need a range of tools that include empowered integrators (IBM fellows, defense entrepreneurs), bridges to external resources and perspective, and integration tools (marketspaces, robust prototyping methods, collaboration platforms).

Actively manage innovation portfolio. Differentiate urgent from important, disruptive from incremental, ”we know we know” from “we don’t know we don’t know.”

Find/create white space with the tools and norms to support genuine strategic conversation and exploration of “unknown unknowns.”

Democratize experimentation, adopt a range of tools for strategic foresight and story-telling, create robust prototyping and virtual experimentation tools and blend where appropriate the agendas of experimentation, learning and operations.

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Overcoming denial is fundamental to an ability to progress. We could fail.

Failure to heed the lessons of the innovator's dilemma may lead to strategic surprise, disaster, or irrelevance.

Disruptive innovation does not typically come from an organization's current competencies. How do you destroy what you are good at in order to make way for what you need to be good at in the future?

Establishing an appropriate culture and processes for corporate ventures and supporting a culture of insurgency are some of the central tasks of leadership.

These are ongoing, not one-time, challenges.

An innovation system is an integrated set of processes, policies, and tools that link corporate strategy to new sources of value (products, services, processes) in order to create sustainable competitive advantage

innovation system components

Managing in terms of paradox

Operations	Experimentation
Centralized	Decentralized
Expertise	Beginner’s mind
Hierarchy	Network
Analysis	Intuition
Bureaucracy	Startups
Continuity	Surprise
Given	To be gotten
Avoiding risk	Assuming risk
Familiar	Novel